

Malaysia

Contributing firm
Wong Jin Nee & Teo



Authors

Bong Kwang Teo and **Shie Ying Liew**

1. Legal framework

National

The trademark registration system in Malaysia is governed by the Trademarks Act 1976 and the Trademarks Regulations 1997.

International

Malaysia is party to the following international agreements:

- the Paris Convention for the Protection of Intellectual Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs);
- the Nice Agreement; and
- the Vienna Agreement

2. Unregistered marks

Rights in unregistered marks are protected under Section 82(2) of the Trademarks Act, which allows actions in respect of passing off. The nature of the right protected or sought to be protected by a passing-off action is the goodwill generated by the use of a mark, name or get-up or other indicia in the course of business of a trader.

3. Registered trademarks

Ownership

Any person may apply to the registrar of trademarks to register a trademark in the Trademarks Register. The person that first uses a mark in Malaysia in conjunction with its goods or services is entitled to claim ownership over it. However, Section 14(d) of the act, which took effect from August 1 2001, expressly

prohibits the registration of a trademark if it is identical or similar to a mark that is well known in Malaysia and used by another party for the same type of goods or services.

Power of attorney

No power of attorney is required to file a trademark application in Malaysia. However, an application for the registration of a trademark should be accompanied by a statutory declaration of the applicant claiming to be the proprietor of the trademark. Although this requirement is not stated in the regulations, it is provided in the application form (Form TM5). However, the wording found in Form TM5 is rather vague and it is the practice of the industry to provide a statutory declaration of the applicant or its authorised signatory confirming that the applicant is the rightful proprietor of the mark under application. A statutory declaration that is affirmed outside Malaysia must be notarised, but not legalised. A statutory declaration that is affirmed within Malaysia, need only be signed before a commissioner for oaths. The statutory declaration can be furnished at any time within 12 months of the filing date; otherwise the registrar may treat the application as abandoned.

Scope of protection

Malaysia still adopts the definition of a 'mark' as laid down in the UK Trademarks Act 1938, as opposed to the modern definition of a 'sign' now found in legislation in the United Kingdom, Hong Kong and Singapore. However, the Intellectual Property Office of Malaysia (MyIPO) has announced recently that it is reviewing the existing act and an amendment bill is due to be tabled soon.

A 'mark' is defined to include a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof (Section 3 of the act). This definition is wide, but not exhaustive.

According to Section 10(1) of the act, a trademark must contain or consist of at least one of the following elements in order to be registrable:

- the name of an individual, company or firm represented in a special or particular manner;
- the signature of the applicant for

registration or of some predecessor;

- an invented word or words;
- a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or
- any other distinctive mark.

The requirements under Sections 10(1)(a) to (e) stated above are disjunctive and even if a mark does not satisfy all of the requirements of Sections 10(1)(a) to (d), it can still be registrable if it satisfies the requirement of Section 10(1)(e) (ie, if it qualifies as a distinctive mark).

Most Malaysian trademarks are registered for being distinctive marks. In this respect, since August 1 2001 a more relaxed standard of distinctiveness, in line with the standard for a Part B mark under the previous legislation, has been adopted. The more relaxed standard emphasises the ability of a trademark to distinguish in fact, rather than its inherent distinctiveness. However, trademark applications filed before August 1 2001 are still subject to the higher standard of inherent distinctiveness.

The registrar has the discretion to impose a disclaimer condition if a trademark contains matters/words which are common to the trade or business or are not distinctive.

Although a mark may be registrable under Section 10 of the act, registration does not follow as a matter of course. Not only does the registrar have a discretion to refuse, but the act also contains four broad prohibitions against registration, which are based primarily on the protection of public interest. The statutory prohibitions are as follows:

- The use of the mark is likely to deceive or cause confusion to the public, or would be contrary to law (Section 14(1)(a));
- The mark contains or comprises any scandalous or offensive matter, or would otherwise not be entitled to protection by any court of law (Section 14(1)(b));
- The mark contains matter which might be prejudicial to the interest or security of the nation (Section 14(1)(c)); and
- The mark is identical to or closely resembles a mark that is well known in Malaysia used by another party for the same type of goods or services (Sections 14(1)(d) and (e)).

4. Procedures

Examination

Application: The first step in the application procedure is the filing of five copies of Form TM5, a statutory declaration of the applicant claiming to be the proprietor of the trademark and an index card setting out the particulars of the trademark application, together with the prescribed fee.

Electronic filing has been available since February 15 2011. The official fees for applications that are filed electronically are slightly lower than those for applications that are filed manually.

Substantive examination: After filing a trademark application, it takes about one year for the application to be examined. Once substantive examination is complete, if the examiner objects to the mark, he or she will issue an office action on Form TM70 setting out the grounds for objection.

The applicant is given an initial period of two months to respond to the office action, usually by way of written submissions. If the registrar receives no reply, the application will be deemed abandoned. An extension of time is possible by paying the prescribed fee. If the written submissions fail to convince the registrar, the applicant may make a request for a hearing and present arguments orally before the registrar.

Expedited examination: Expedited examination is possible for trademark applications filed after February 15 2011. The applicant must apply for expedited examination within four months of the date of application by filing Form TM 5A. The registrar may undertake an expedited examination if he is satisfied that:

- it is in the national or public interest;
- infringement proceedings in relation to the mark are ongoing;
- registration of the mark is a condition to obtaining monetary benefits from the government; or
- other reasonable grounds support the request.

The registrar will notify the applicant of his decision in writing. If such request is approved,

the applicant must file Form TM 5B and pay the prescribed fee within five days.

Acceptance: If no official objection is raised or the objections are overcome, the registrar will send Form TM31 to the applicant containing direction for publication of the trademark in the *Government Gazette*. Once the applicant confirms that the particulars in the form are correct, the applicant must return the form to the registrar together with four bromide prints of the mark and the prescribed fees within two months of the date of the form for the purpose of publication of the mark in the *Government Gazette*.

Publication: The process of preparing a mark for publication in the *Government Gazette* takes two to three months.

Opposition

Any interested person is given a period of two months from the date of the advertisement to lodge opposition proceedings against registration of the trademark. The two-month period for opposition can be extended on good grounds.

Opposition is initiated by the opponent filing a notice of opposition setting out the grounds of opposition. Within two months of receipt of a notice of opposition, the applicant may file a counterstatement setting out the grounds on which it relies in support of its application.

The parties have two months to file their respective evidence of use. This period may be extended on application.

The registrar will then give notice to the parties of a date (usually one month from the notice) by which they may submit any written submissions.

After expiration of this period, the registrar shall consider the evidence and written submissions and shall, within two months, communicate to the parties in writing the decision on the matter and the grounds of that decision. The registrar's decision is subject to appeal to the High Court.

Registration

If there is no opposition after the expiration of the two-month period or if the opposition is ultimately dismissed, the mark will be ready

for registration and the registrar will issue the registration certificate. The trademark will be registered for a period of 10 years from the date of application.

Renewal

An application to renew a registration may be filed two months before the expiry date. It will normally take one month for the registrar to issue the renewal certificate. The renewal period is 10 years and a mark can be renewed indefinitely.

Removal from register

A registered trademark can be removed from the register on application of an aggrieved person if:

- it was registered without the trademark applicant having a good-faith intention to use the mark and it has in fact not been used in good faith; or
- the trademark is not used for a period of three years from the date of registration (the date on which the trademark was entered in the register).

In *McLaren International Ltd v Lim Yat Meen* ([2007] 7 MLJ 581) the Court of Appeal held that before a removal or cancellation action can be launched, the applicant must prove that it is an aggrieved person. The Court of Appeal takes a very restrictive approach in deciding whether an applicant is an aggrieved person for the purpose of a removal action. An 'aggrieved person' appears to be confined to a person whose business or trading interests would suffer direct damage. This may not follow the letter and spirit of the TRIPs Agreement, whereby the interests of an owner of a well-known trademark are to be protected, irrespective of whether it has a local business presence or whether the businesses are similar.

In *Industria De Diseno Textil SA v Edition Concept Sdn Bhd* ([2005] 2 CLJ 357, [2005] 3 MLJ 347) the court held that the required period of three years of non-use runs from the date of actual registration and not the date of application. However, in *Lam Soon Edible Oils Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd* ([2010] 1 LNS 232, unreported) the court held that the application for cancellation based on non-use was not fundamentally

defective even though it was filed less than three years from the date of registration.

In addition, pursuant to Section 45 of the act, a registered trademark can be removed if:

- the entry was wrongfully made or entered in the register; or
- the entry wrongfully remains in the register.

Section 37 of the act provides that in all legal proceedings relating to a trademark registered in the register (including an application for expunction under Section 45), the original registration of the trademark shall, after the expiration of seven years from the registration date, be taken to be valid in all respects unless it is shown that:

- the original registration was obtained by fraud;
- the trademark violates Section 14; or
- the trademark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor.

An aggrieved person must make an application by way of an originating motion to the High Court moving the court to make an order to expunge or vary an entry in the register.

Merger

An application for recordal of merger is made using the prescribed Form TM15 together with the merger document and the required fee. It takes approximately six to 12 months to record a merger in respect of a trademark registration.

Change of name

An application for recordal of change of name is made using the prescribed Form TM16 together with the certificate of incorporation of change of name and the required fee. It takes about two to three months to record a change of name in respect of a trademark registration.

5. Enforcement

Civil proceedings

A trademark infringement action must be based on a registered mark. For registered marks, it is possible to sue for trademark

infringement and passing off.

In the case of unregistered marks, the sole redress for the proprietor is to sue for passing off.

Section 38 of the Trademarks Act provides for two types of trademark infringement:

- unauthorised use of an identical or confusingly similar mark in respect of goods or services within the scope of the registration; and
- unauthorised use of an identical or confusingly similar mark which imports a reference to the registered proprietor or its goods.

Civil remedies: A successful plaintiff in a trademark infringement or passing-off action may obtain the following relief:

- a permanent injunction;
- an order for delivery up of offending matter or obliteration of the offending trademark;
- damages in respect of past infringement or, in lieu of damages, an account of the profits made by the defendant from the sale of the marked goods; and
- a declaration that the defendant has infringed.

Interlocutory injunctions: Pending trial of the action, which may take some time, the plaintiff may resort to some interlocutory relief such as applying for an interlocutory injunction. The Malaysian courts have followed the principles laid down in the celebrated case of *American Cyanamid Co v Ethicon Ltd* ([1975] AC 396) when deciding whether to grant an interlocutory injunction.

Anton Piller order: If there is strong reason to believe that the defendant may destroy the infringing articles or other evidence of infringement or passing off, the plaintiff may make an *ex parte* application for an Anton Piller order requiring the defendant to allow the plaintiff or its representatives to enter the defendant's premises to search and seize any infringing evidence.

Mareva injunction: A plaintiff may also apply for a Mareva injunction, which is a form of preventive relief granted *ex parte* to the applicant, restraining the defendant from

dissipating its assets out of the jurisdiction before any judgment is obtained.

Summary judgment: It is possible to obtain summary judgment for trademark infringement if the plaintiff can demonstrate to the court that there is no defence to the claim.

Damages: An award of damages is by far the most common remedy in a trademark infringement or passing-off action. There is no fixed quantum of damages for either action. It is incumbent upon the plaintiff in a successful action to prove its losses. Normally, separate proceedings (after the trial) are held to determine or assess the damages incurred by the plaintiff.

Time limit: As indicated earlier, Section 37 of the act provides that in all legal proceedings relating to a trademark registered in the register, the original registration of the trademark shall, after seven years have passed, be taken to be valid in all respects unless it is proven that:

- the original registration was obtained by fraud;
- the mark breaches Section 14; or
- at the start of proceedings, the mark was not distinctive of the registered owner's goods.

Jurisdiction: On July 17 2007 the Malaysian judiciary set up a dedicated IP High Court and an IP Criminal Sessions Court in Kuala Lumpur. At its inception, the IP High Court was presided over by Mr Justice Datuk Ramly Ali and all IP cases were treated as fast-track cases. In April 2009 Justice Ramly Ali was elevated to the Court of Appeal. Justice Azahar Mohamed was assigned to preside over the specialised IP High Court in Kuala Lumpur in the second half of 2009. Justice Azahar Mohamed was elevated to the Court of Appeal on May 11 2011, and Justice Hanipah Farikullah took over as the presiding judge.

Since the establishment of the IP Criminal Sessions Court in 2007, all cases involving IP issues are registered with this court.

Quasi-criminal proceedings

Besides instituting a civil action for trademark infringement or passing off, the proprietor of a trademark can resort to some criminal sanctions to curb counterfeiting activities involving trademarked goods.

The principal legislation that provides for such criminal penalties is the Trade Descriptions Act 2011, which came into force on November 1 2011 and repealed the Trade Descriptions Act 1972). Section 5 of the act creates three distinct offences in connection with goods:

- the offence of applying a false trade description to any goods;
- the offence of supplying or offering to supply any goods to which a false trade description is applied; and
- the offence of exposing for supply or having in possession, custody or control for supply any goods to which a false trade description is applied.

A 'trade description', in relation to a product, is an indication of its nature, quantity, method of manufacture, composition, strength or performance. A trade description can also refer to the manufacturer itself. This definition is wide enough to encompass trademarks affixed to goods.

The controller of trade descriptions, his deputy and assistant have the power to enter premises (but not premises used as dwellings) to ascertain whether any offence under the act has been committed. They also have the power to arrest, investigate, prosecute and compound any offence under the act.

Malaysia has a unique remedy created by statute called a trade description order, which is an order of the High Court made under Section 9 of the Trade Descriptions Act declaring that a specified infringing trademark or get-up is a false trade description for the purpose of the act. Trade description orders often prove to be highly effective means to enforce a trademark.

A trade description order is conclusive proof in proceedings under the Trade Descriptions Act that the infringing trademark or get-up specified therein is a false trade description when applied to the goods denoted in the order.

Border measures

Any registered trademark owner can apply to the registrar of trademarks for an order to restrict the import of counterfeit trademarked goods. Upon approval, the registrar shall immediately take steps to notify Customs to prohibit any person from importing goods identified in the notice, not being in transit,

and shall seize and detain the identified goods.

The seized goods will be released to the importer unless the trademark proprietor institutes a trademark infringement action within a period specified by the customs officer. Failure to do so may result in the seized goods being returned to the importer and the trademark owner being penalised with an order for compensation by the court.

6. Ownership changes

Every assignment to be recognised under the act must be recorded with the registrar of trademarks pursuant to the procedures prescribed. The original or a certified true copy of the original deed of assignment must be filed with the registrar of trademarks. No notarisation or legalisation is necessary.

7. Related rights

A trademark that is made up of an artistic device may also be subject to copyright protection.

8. Online issues

There are no specific laws in Malaysia protecting trademark owners against unauthorised use of their trademarks in domain names, websites, hyperlinks, online advertisements or metatags. Therefore, the only recourse for trademark owners is to sue for trademark infringement or passing off.

The Malaysian Network Information Centre (MYNIC) is responsible for the allocation and registration of the Malaysian country-code top-level domain. The Regional Centre for Arbitration Kuala Lumpur (RCAKL) has been appointed as the '.my' domain name dispute resolution service provider. All domain name disputes are governed and administered in accordance with MYNIC's Domain Name Dispute Resolution Policy (MYDRP), the Rules of the MYDRP and the RCAKL Supplemental Rules. The MYDRP is essentially similar to the Uniform Domain Name Dispute Resolution Policy administered by the Internet Corporation for Assigned Names and Numbers.

| Examination/registration | | |
|--|---|---|
| Representative requires a power of attorney when filing? Legalised/notarised? | Examination for relative grounds for refusal based on earlier rights? | Non-traditional marks registrable? |
| Notarisation only  /  |  |  |
| Unregistered rights | | Opposition |
| Protection for unregistered rights? | Specific/increased protection for well-known marks? | Opposition procedure available? Term from publication? |
|  |  | 2 months  |
| Removal from register | | |
| Can a registration be removed for non-use? Term and start date? | Are proceedings available to remove a mark that has become generic? | Are proceedings available to remove a mark that was incorrectly registered? |
| 3 years' non-use from date mark is entered on register  |  |  |
| Enforcement | | |
| Specialist IP/trademark court? | Punitive damages available? | Interim injunctions available? Time limit? |
|  |  | Time limit depends on reasons for delay  |
| Ownership changes | Online issues | |
| Mandatory registration for assignment/licensing documents? | National anti-cybersquatting provisions? | National alternative dispute resolution policy for local ccTLD available? |
|  /  |  | MYNIC DRP  |

Wong Jin Nee & Teo

13A-5 Level 13A, Menara Milunium, 8 Jalan Damantela
Bukit Damansara, 50490 Kuala Lumpur, Malaysia

Tel +603 2092 3322

Fax +603 2092 3366

Web www.wjnt-law.com

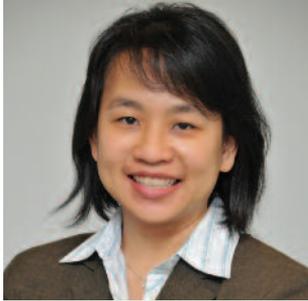


Bong Kwang Teo

Partner

tbk@wjnt-law.com

Bong Kwang Teo is a partner in Wong Jin Nee & Teo. He graduated with an LLB and an LLM from the University of Malaya. He handles a wide range of IP matters, including copyright, patents, trademarks, designs, trade secrets, passing off, confidential information, information technology, and laws relating to food and pharmaceuticals. He presently heads the IP litigation team within the firm. In addition to handling contentious matters, he also provides opinions and advisory services on a wide spectrum of issues relating to the creation, maintenance, protection and enforcement of IP rights. He is a registered trademark, patent and industrial design agent.



Shie Ying Liew

Partner

lsy@wjnt-law.com

Shie Ying Liew is a partner in Wong Jin Nee & Teo. She graduated with an LLB from Queen Mary, University of London and a postgraduate diploma in professional legal skill from Inns of Court School of Law, United Kingdom. She handles many aspects of protection and enforcement of IP rights as well as the commercial exploitation of these rights, including franchising. She is a registered trademark and industrial design agent.